

Supplemental Income Continuation Insurance

Eligibility and Enrollment Questions

Who is eligible?

Employees eligible to apply for supplemental ICI coverage are those who meet/met the eligibility requirements for the standard ICI coverage per the State or Local plan and whose annual earnings exceed \$64,000. Eligible employees electing supplemental ICI coverage must insure their entire salary above \$64,000 up to a maximum of \$120,000; there is no partial supplemental coverage. Enrollment in the supplemental ICI coverage is voluntary. The employee pays the supplemental ICI premium in its entirety, in addition to the employee share of ICI premiums.

When may employees apply?

Any employee whose standard ICI coverage effective date is on or before April 1, 2005 with earnings exceeding \$64,000 may apply during the initial open enrollment period that runs from February 21 – March 11, 2005. Employees who fail to enroll during this initial open enrollment period will have an opportunity to enroll in the supplemental plan on an annual basis concurrent with the annual deferred enrollment period (held each January for State employees) or annual premium adjustment period (at year-end for local government employees).

Employees newly eligible for ICI coverage or applying for ICI coverage through deferred coverage after April 1, 2005, with earnings exceeding \$64,000, may apply for supplemental ICI coverage at the same time they complete their initial application for ICI coverage.

Employees with standard ICI coverage and earnings exceeding \$64,000 who fail to enroll during the initial open enrollment period may enroll on an annual basis (concurrent with the annual deferred enrollment period or annual adjustment period).

Employees with standard ICI coverage cannot obtain supplemental ICI coverage by furnishing medical evidence of insurability.

Employees without standard ICI coverage whose earnings exceed \$64,000 may apply for both standard ICI and supplemental ICI coverage by furnishing medical evidence of insurability.

May an employee apply for supplemental ICI coverage as soon as their salary tops \$64,000?

*No. Employees receiving salary increases after the annual adjustment period are eligible to apply for supplemental ICI coverage during the next annual deferred period/annual adjustment period, providing ICI coverage is in force. ICI covered employees whose earnings, as a result of a change in appointment level (i.e. a change from 50% to %100), now exceed \$64,000 will not have an opportunity to enroll in supplemental ICI coverage until the next annual deferred enrollment/annual adjustment period. (However, remember that premiums for ICI coverage **must be** adjusted at the effective date of the change in appointment level.) Premiums for ICI covered employees receiving salary increases unrelated to a change in appointment level, remain unchanged until the next annual deferred enrollment/annual adjustment period.*

An employee transfers from a State agency to another with new estimated annual earnings expected to exceed \$64,000. The employee intends to continue standard ICI coverage and is required to complete a new ICI application for the standard coverage.

Does this transfer create an opportunity to enroll in supplemental ICI coverage?

No, it does not create an enrollment opportunity for supplemental coverage. The employee may apply for supplemental ICI coverage during the next annual deferred enrollment period.

An employee transfers from one campus to another—from a classified position to a faculty position or vice versa—with new estimated annual earnings expected to exceed \$64,000. Does this create an opportunity to enroll in supplemental ICI coverage?

Yes. This creates an enrollment opportunity (regardless of whether the employee had ICI coverage in the previous appointment) because these are two separate plans. In this scenario, the employee is eligible for ICI and Supplemental ICI.

Some employees may have previously completed ICI applications for future coverage effective dates after April 1, 2005. Assuming the annual earnings are greater than \$64,000, is this employee now eligible to apply for supplemental ICI coverage?

Yes. Employees newly eligible for ICI coverage after April 1, 2005, with earnings exceeding \$64,000 may apply for supplemental ICI coverage at the same time they make their initial application for ICI coverage. If an application is already on file, but coverage is not yet in effect, the employee and employer—if the employee so desires--may complete an application for supplemental ICI coverage using the same coverage effective date.

How does a reduction in salary—to an annual earnings level under \$64,000—for an employee enrolled in supplemental coverage affect coverage and premiums? How does a reduction in salary affect potential benefits?

If a change in appointment has occurred, the premium and benefit levels should be adjusted at that point based on projected salary. The level of coverage is adjusted when the premium is adjusted.

However, premiums for local and State employees receiving a decrease in salary level unrelated to a change in appointment level, remain unchanged until the next annual deferred enrollment/annual adjustment period. For most employees, the dollar amount of ICI disability benefits is 75% of the base pay in effect for the last completed pay period prior to the date the disability began.

An employee has appointments with two State agencies. Neither appointment has annual earnings exceeding \$64,000. Combined, however, the two earnings amounts exceed \$64,000. Is the employee eligible for supplemental ICI coverage?

No. The two earnings amounts cannot be combined. The employee is eligible for standard ICI coverage on each salary amount.